DECLARATION OF CHARLES W. RAWL

I, Charles W. Rawl, declare under penalty (28 U.S.C. § 1746) that the following statements are true and correct:

1. I was employed as a financial adviser with Stanford Group Company ("SGC") in Houston, Texas, between May 2005 and December 2007.

2. SGC is a broker/dealer and investment adviser registered with the Securities and Exchange Commission.

3. I am currently affiliated with US Fiduciary, a Commission-registered broker/dealer and investment adviser in Houston.

4. I have been a licensed financial representative since 1995.

5. As a financial adviser, I make recommendations and assist customers to buy and sell financial products. My major responsibility to my customers is to act in their best interest, and to provide full and fair disclosures of all material facts concerning the financial products offered.

6. I joined SGC in May 2005 primarily because of the strong returns SGC represented it had achieved with its mutual fund wrap fee products, then known as Mutual Fund Partners ("MFP"), and later renamed Stanford Allocation Strategies ("SAS").

7. Jay Comeaux, Managing Director of SGC recruited me to the firm. Mr. Comeaux told me that MFP had a "track record" of producing the following returns for its Growth Fund:

2000	+18.04%
2001	+4.32%
2002	-3.33%
2003	+32.84%
2004	+16.15%

Exhibit 1 is a chart of "Historical Hypothetical Portfolio Performance" data for MFP Growth Fund for the years 2000 through 2005. Exhibit 1 is similar to that used by Mr. Comeaux when he recruited me to join SGC.

8. One of the reasons I joined SGC as a financial adviser was so that my customers could invest in the MFP/SAS program and take advantage of the strong returns touted by SGC.

9. I subsequently became a leading salesman of MFP/SAS products at SGC. Because of my success, I was periodically asked by management to assist other financial advisers market and sell MFP/SAS products to their clients.

10. In advance of meetings with prospective clients, SGC produced to its financial advisers personalized "pitch books," which were professional presentation material that described the company, its history, and its investment and corporate philosophy. The pitch books also provided detailed information about SAS products, including its performance track record for previous years. Exhibit 2 is a true and correct copy of a pitch book (redacted) I used in a client presentation in or around May 2006. I relied on the accuracy of this information in making presentations to my clients and in assisting my colleagues in their client presentations.

11. During summer and fall of 2006, I, along with other advisers, realized that the SAS clients were not achieving the same results as that touted by SGC in its SAS promotional literature. I confirmed my suspicions by comparing actual results with the advertised returns for several of my clients' portfolios. By advertised returns, I mean the performance illustrated on the SGC proposal documents for soliciting new accounts.

With respect to these accounts, my clients' actual performance was *never* as good as the purported track record, and *always* underperformed the track record. During this time, several other advisers in the Houston branch noticed the same underperformance of the SAS program compared to the advertised returns. I collected about 27 samples from different advisers and submitted those to management. These samples showed underperformance in every case ranging from 200 to 300 basis points. The advisers could not find any client accounts with positive variances.

12. With a growing concern about the "underperformance" of the SAS program expressed verbally to management by me and other advisers, and receiving no meaningful response, I decided to put my concerns in writing. On November 3, 2006, I sent an email to Zack Parrish and Mark Stys detailing the discrepancies in the disclosures of SAS performance data. I wrote:

> One of my personal accounts could be considered a "poster-child" of the growing discrepancy between our proposal numbers and account performance. Most of my clients' accounts have similar differences. My account #18731656 was up 5.18% y-t-d per my quarterly statement. (Net of a .50% wrap fee). This account is 15 months old and has not had any withdrawals or additions. The SAS Growth presentation I made yesterday to a prospect shows a y-t-d gross return of 8.77%. This disparity seems too large to defend and I am starting to have a little concern for legal liability.

A true and correct copy of this email is attached as Exhibit 3.

13. After sending the November 3 email, I continued to speak with senior managers at SGC about my concerns, such as Jay Comeaux, Zack Parrish and Mark Stys. They told me they would look into the situation.

14. I was not the only financial adviser in the SGC Houston office who put his concerns in writing that the SAS customers were not achieving the same level of results

as stated by SGC in its promotional literature. On November 7, 2006, one of my colleagues, Mark Groesback, wrote an email to Mark Stys, Zack Parrish and Rhonda Lear (Compliance Officer), advising that he had "serious concerns" about SAS performance advertising. Mr. Groesback's concerns related not only to the SAS Growth fund, but he had similar concerns about historical performance data for the SAS Balanced Growth fund. Mark Stys responded to Mr. Groesback's email, stating: "We are aware that there are issues with our performance reporting . . . [w]e are working on solutions." A true and correct copy of this email exchange is attached as Exhibit 4.

15. Throughout the end of 2006 and early 2007, I continued to press for an answer about the questionable historical performance data being used in client presentations to sell the SAS products. I was told by Mark Stys, the Stanford manager overseeing the SAS product, that management was deciding whether to let "a sleeping dog lie," and he expressed displeasure with the delay in addressing the problem.

16. I later learned that SGC hired a consultant, Steve Riordon, to review the SAS performance data. On March 28, 2007, I attended a meeting to discuss the results of Mr. Riordon's consulting work. Zack Parrish, Mark Stys, Jay Comeaux, Steve Riordon, and a small group of financial advisers from the Houston office were present.

17. Zack Parrish opened the meeting by acknowledging that since he joined the firm, about a year earlier, he was aware of performance reporting issues that needed to be evaluated from the client's perspective. He thanked the financial advisers that brought this matter to the attention of SGC management, but cautioned the group that these types of issues should not be documented by emails. He mentioned that he did not

want the SEC to discover this type of information and ask "what in the world is going on."

18. Mark Stys told the group that with respect to the SAS Growth model, management and the consultant determined that the performance returns advertised to clients suffered from inconsistently bad math and that the firm had no methodology in place to ensure the presentation of accurate performance returns.

19. Steve Riordon told the group that he had evaluated the performance data for the SAS Growth Fund for 2006. Among other things, Mr. Riordon said that 10% of all SAS Growth Fund clients received actual returns of more than 100 basis points *less* than the stated performance figures for 2006. When I pressed him, Mark Stys told the group that 25% of all SAS Growth Fund clients received actual returns of more than 100 basis points *less* that the stated performance figures for 2006.

20. Despite the serious performance discrepancies for the SAS Growth Fund for 2006, Mr. Riordon stated he did not have sufficient information to review the performance data for the SAS Growth fund prior to 2005. Mr. Riordon told the group that "all bets were off" as far as accuracy in the performance figures prior to 2005. Zack Parrish stated that he could not "sign in blood" that the performance numbers were accurate. Riordan concluded that if you want to be accurate "start your track record in 2006", but "you will lose your historical track record." Mark Stys responded that the way to get around the loss of the historical track record was to use a disclaimer that says that the returns prior to 2006 are unaudited.

21. The advisers at the meeting were given a copy of the PowerPoint presentation used by Riordon and the firm at the meeting. Exhibit 5 is a true and correct

copy of the presentation. Jay Comeaux instructed me to keep a close hold on the presentation material, in particular the sample account review used during the meeting. Zack Parrish reiterated again that we had to be careful what we put in e-mails, because in his view, e-mails were "discoverable."

22. Following the Riordon meeting, I noticed that the performance figures for the SAS Growth product for 2006 were changed slightly from 15.55% to 14.76%. The track record for 2000-2005, however, was not modified at all.

23. I am not aware of any effort by SGC management to share the findings from Riordon's consulting work with the network of SGC financial advisers across the country or their clients.

24. In December 2007, after consulting with counsel, I left SGC because, among other things, I was deeply concerned about management's failure to respond appropriately to the inaccurate reporting of performance data related to SAS products for the years 2000 through 2005.

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I declare under penalty of perjury, pursuant to 28 U.S.C. § 1746, that the foregoing is true and correct.

Feb. 15, 2009
Date

Charles W. Rawl